

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1213
ANSWERED ON:21.08.2007
PROBLEMS OF GARMENT EXPORTERS
Sugavanam Shri E.G.

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government is aware of the problems being faced by the garment exporters in the wake of appreciation of rupee;
- (b) if so, the details thereof;
- (c) whether the Government has any proposal to grant relief to garment exporters;
- (d) if so, the details thereof;
- (e) whether the Government proposes to modify the extended Technology Upgradation Fund Scheme (TUFS) and to pass on some benefits to the spinning industry and other weaker areas; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGO VAN)

(a) & (b): The Government is aware of the problems being faced by the garment exporters in the wake of appreciation of the rupee. As per reports received from Export Promotion Councils, Garment / Textile Industry has been adversely affected due to appreciation of rupee.

(c) & (d): The Government has revised the Duty Drawback and DEPB rates, which will benefit the textile sector.

(e) & (f): During the eight years of operation of Technology Upgradation Fund Scheme (TUFS), differential level of benefits has been observed in different segments. Certain segments like spinning and composite upgradation have benefitted to the desired level leaving scope of focus in segments like processing, garments etc. The Scheme incorporates rationalization in technical and financial norms, which are expected to:-

- i) induce capital investment in the textile sector to achieve growth parameters for fibre, yarn, fabric and garment production chain;
- ii) help the textile sector capitalize on the vibrant and expanding global and domestic markets through technology upgradation resulting in cost effectiveness, quality production, efficiency and global competitiveness in line with the goals enumerated in the Vision Statement for Textile Industry (2007-2012);
- iii) generate 16% annual growth and create additional capacity building in all the segments of the textile sector;
- iv) propel investment in the sector to the tune of Rs.1,50,600 crore.